

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **SEN. DALE MAHLUM**, on February 2, 1999 at 3:10 P.M., in Room 405 Capitol.

ROLL CALL

Members Present:

Sen. Mike Sprague, Chairman (R)
Sen. Ken Miller, Vice Chairman (R)
Sen. John C. Bohlinger (R)
Sen. Chris Christiaens (D)
Sen. Dorothy Eck (D)
Sen. Bill Glaser (R)
Sen. Duane Grimes (R)
Sen. Don Hargrove (R)
Sen. J.D. Lynch (D)
Sen. Dale Mahlum (R)
Sen. Jon Tester (D)

Members Excused: None.

Members Absent: None.

Staff Present: Jodi Pauley, Committee Secretary
Mary Vandenbosch, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 264, 1/29/1999; SJR 7,
1/29/1999
Executive Action: SB 269; SB 233; SJR 7

HEARING ON SB 264

Sponsor: **SEN. PETE EKEGREN, SD 44, CHOTEAU**

Proponents:

Adam Dahlman, Teton County Commissioners
Gordon Morris, MACo

Opponents:

Tim Murphy, Fire Chief of DNRC
Jim Dusenberry, MT Fire Alliance
Pat Keim, Burlington, Northern, Santa Fe Railroad
Russ Ritter, MT Rail-link
Bill Fleiner, MT Fire Warden's Assoc.

Opening Statement by Sponsor:

SEN. PETE EKEGREN, SD 44, CHOTEAU, passed out amendments for **SB 264. EXHIBIT(los26a01)** He said in Teton Co. they have five fire districts and they have a mill levy that would raise \$15,000 which is \$3000 per district. He said their fire districts have been underfunded. He said in the past few years the commissioners have set up a fire service area and they have assessed a \$50 fee for all the rural land owners who have liveable homes on their property which raised \$75,000. He said in the last six months, 815 of the land owners have signed a petition to void this fire service area. The fifty dollar fee is not so much of a problem, but those land owners that do not have a dwelling pay nothing. Often times their land is in CRP and this is one of the biggest fire dangers they have.

Proponents' Testimony:

Adam Dahlman, Teton County Commissioners, rose in support of **SB 264. EXHIBIT(los26a02)** He read a letter from the Teton County Commissioners. **EXHIBIT(los26a03)**

Gordon Morris, MACo, discussed the amendments. **EXHIBIT (1)**. He read the language on line 18 of the bill. He said if a property owner simply has acreage they would be assessed a comparable fee relative to other property in the county. He read line 23, section 2. If there are owners of land and they directly benefit from the fire service area they should also have to pay a fee. He said they spend more time with range fires than they do on structural fires.

{Tape : 1; Side : A; Approx. Time Counter : 3:24 p.m.}

Opponents' Testimony:

Tim Murphy, Fire Chief of DNRC, said this bill will further complicate their current fire statutes. All cities and towns are required to have fire departments and are responsible for every type of fire. Through a vote of the owners, fire protection is provided at all risks through a rural fire department. All rural property under a rural fire district receives a tax. If owners want all risk fire protection they can elect to form a rural fire district where real property can be taxed. Owners can opt to have their structures protected through rates charged on structural owners, and no wild land protection is required. This bill would confuse the original intent, if owners vote for all risk fire protection they can do this through the rural fire protection portion of the statutes.

Jim Dusenberry, MT Fire Alliance, said they may be looking at double taxation by assessing fees on something that already has a mill levy on it. Fire service area needs to be clarified.

Pat Keim, Burlington, Northern, Santa Fe Railroad, rose in opposition of SB 264. **EXHIBIT**(los26a04)

Russ Ritter, MT Rail-Link, said they look at this as a double tax or a fee. He said they are responsible for fires and they pay for them and the equipment required to take care of those fires.

Bill Fleiner, MT Fire Warden's Assoc., said for the last five years Lewis and Clark County has been doing annexations for both fire service areas and fire districts largely due to demographics. He said they have created three new fire service areas in the county. He said they have held public meetings and have done petition drives and have discussed the issues of whether people want to be a part of the structure or not.

{Tape : 1; Side : A; Approx. Time Counter : 3:32 p.m.}

Questions from Committee Members and Responses:

SEN. JOHN BOHLINGER said railroads pay a large amount of taxes to this state and to impose a fee on top of a tax or a tax on top of a fee doesn't seem fair. **Gordon Morris** said this is not the intent of the bill and the amendment would take care of this. **EXHIBIT (1)** This is an alternative to the current language.

SEN. DOROTHY ECK asked how many rural fire service districts do they have. **Gordon Morris** said they have rural fire districts, rural fire areas, rural fire service areas, and rural fire. This bill will provide a non-structural fee alternative.

SEN. ECK asked wouldn't they be able to accomplish this by becoming a rural fire district. **Gordon Morris** said the problem is they are limited to an ad valorem tax, and agriculture land will pay a tax on personal property, land, and improvements.

SEN. ECK asked if this provision would be useful to rural fire districts. **Gordon Morris** said if they take a look at library districts, they do not have the luxury of assessing library fees or property taxes on just the residents, they have to go after all of the property. This goes on in park and recreation districts also and this is a viable alternative to that approach which could be used in all districts.

SEN. BILL GLASER asked if rural grassland can be taxed for fire suppression now? **Gordon Morris** said they do pay a state assessment for rural fire protection, but it is not applied across the state.

SEN. GLASER used the example of having 10,000 acres and how much would his burden be. **Gordon Morris** said this is rural fire and the commissioners would have to work with their local fire department and come up with a fee based on their projected cost for the coming fiscal year. It will be assessed uniformly across all real property. It won't be driven by the amount of acres anyone has, but will be a uniform fee for everyone.

SEN. GLASER asked if city folks are county residents and don't they get to vote. **Gordon Morris** said no, they have separate fire protection.

SEN. GLASER asked if the majority of voters addressed in the bill are county voters. **Gordon Morris** said they outline the area and the people that are going to be served in that area are the ones that vote on the assessment for the service.

SEN. GLASER said this is the case in section 2, but not in section 1 as it is a county wide assessment on all rural property. **Gordon Morris** said it is two mills from the County General Fund. Most county commissioners are using the \$15,000.

SEN. GLASER said the alternative has nothing to do with subsection (a) and there is no cap on subsection(b).

{Tape : 1; Side : A; Approx. Time Counter : 3:46 p.m.}

SEN. JON TESTER asked how are they going to determine who is going to vote on this. **SEN. EKEGREN** said they would address this in an amendment.

Closing by Sponsor:

SEN. EKEGREN closed on SB 264.

HEARING ON SJR 7

Sponsor: SEN. JOHN BOHLINGER, SD 7, Billings

Proponents:

Russ Ritter, MT Rail-Link

Jani McCall, City of Billings

REP. ROY BROWN, HD 14, Billings

Pat Keim, Northern, Burlington, Santa Fe Railroad

Opponents: None

Opening Statement by Sponsor:

SEN. JOHN BOHLINGER, SD 7, Billings, opened on SJR 7.

EXHIBIT(los26a05)

{Tape : 1; Side : B; Approx. Time Counter : 3:58 p.m.}

Proponents' Testimony:

Russ Ritter, MT Rail-Link, said there is nothing more frustrating than being caught at a crossing waiting for a train. He said they would like to suggest that communities work with their dispatch so they know what time the trains will be going through town. He said the quicker they can move trains through a community the better for everyone. He said they understand the financial situation of trying to do this. The railroad is responsible for at least ten percent of this cost. He said if they do a relocation of the tracks they do not want to lose any of the customers they serve.

Jani McCall, City of Billings, rose in support of SJR 7.

EXHIBIT(los26a06) Problems the community faces with the tracks are traffic congestion, gridlock, and it endangers both public safety and the welfare of the community. This resolution will only pass with funding.

REP. ROY BROWN, HD 14, Billings, said the railroad tracks separate Billings in many ways. It separates them on economics, cultural and political issues.

Pat Keim, Northern, Burlington, Santa Fe Railroad, said they want to work with the City of Billings on this.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. DUANE GRIMES asked if they had any results from other cities in which similar things had been done. **SEN. BOHLINGER** said he had some information from communities that have railroads and how they are affected.

SEN. DON HARGROVE asked if anyone had talked to Washington or the Federal Government about this proposal. **SEN. BOHLINGER** said he had not visited with the Washington Delegation. This came from his neighborhood task force.

SEN. HARGROVE asked if the Western Transportation Institute has federal grants and helps with these types of situations? **Pat Keim** said he didn't know if that was the name of the institution, but there are organizations that help with these grants, etc. He said they haven't talked with these organizations yet. **Pat Saindon, MT Department of Transportation**, said the Western Transportation Institute does exist, it is a joint research organization and they help with transportation studies.

SEN. SPRAGUE read line 30, page 1, and does this raise a problem with prioritizing funding. **Jani McCall** said they support this resolution, but not the funding of it. The reason is that the City of Billings has several priorities in terms of transportation, etc.

Closing by Sponsor:

SEN. BOHLINGER said the railroad has created employment, tax base, etc. The city worries about funding these transportation problems. The railroads are in support of this as they also see a need to fix this problem.

{Tape : 1; Side : B; Approx. Time Counter : 4:20 p.m.}

CHAIRMAN SPRAGUE took over the chair.

EXECUTIVE ACTION ON SB 269

Motion/Vote: **SEN. GLASER** moved that **SB 269 DO PASS**. Motion carried unanimously.

EXECUTIVE ACTION ON SB 233

Discussion:

Mary Vandenbosch explained the amendments to **SB 233**.
EXHIBIT (los26a07)

Motion/Vote: **SEN. CHRISTIAENS** moved that **AMENDMENTS FOR SB 233**
BE ADOPTED. Motion carried 10-1 with Hargrove voting no.

Discussion:

SEN. GLASER said on page 2, line 30, there are two "a's" there.

Mary Vandenbosch said he was correct and it should be changed to
"either" inserted before "a".

Vote: Motion **TO MAKE THIS CORRECTION WAS ADOPTED and carried**
unanimously.

Discussion:

SEN. CHRISTIAENS asked where the money is going to come from for
the state's half that is retroactive. **Karen Munro, Central**
Service Division of Department of Justice, said it would be a
General Fund increase. She said right now the county attorney
budget is 100 percent General Fund for the state to pay half of
county attorney's salary. This would need to be an increase in
General Fund budget.

SEN. CHRISTIAENS said this bill needs to go to Finance and Claims
because they did not fund this. **Karen Munro** said counties
notified them by August if they were going to a full time status
from part time and they built that into their budget. This would
be an increase that is not funded for.

SEN. BOHLINGER said the monies that are made available come about
as a result of current law. He said presently there is \$3.8
Million that has been collected. \$1.9 Million goes to the state
of Montana and the other half is distributed to the 56 counties.
Prosecuting attorneys should be entitled to some sort of benefit
from this. He said he would prefer for this committee to take
action on this bill.

SEN. CHRISTIAENS said he doesn't deny that the money is there in
fees, but it still needs to go in front of appropriations. He

said perhaps this should not be retroactive, but go into effect next year.

SEN. BOHLINGER referred to the Fiscal Note and said that the amendments they just attached to the bill will make it so the state's share of this cost would be reduced each year.

SEN. HARGROVE said this has to do with money out of the General Fund.

Motion: **SEN. GLASER** moved **TO AMEND PAGE 4, LINE 22 AND 25 TO THE YEAR 2000.**

Discussion:

SEN. GLASER said if they do this it will move through the process and if there is money available, the House can change the dates back.

Substitute Motion/Vote: **SEN. GLASER** made a substitute motion **TO STRIKE SECTION 4 AND INSERT 2000 ON LINE 22 OF SB 233. Substitute motion carried unanimously 11-0.**

Motion: **SEN. CHRISTIAENS** moved **SB 233 DO PASS AS AMENDED.**

Discussion:

SEN. HARGROVE asked with the amendment what would the Fiscal Note be. **SEN. GLASER** said there won't be any money until the year 2007 because it takes eight years for them to get longevity. **Karen Munroe** said it takes 4 years and in fiscal year 2005 is when the first four years of longevity would kick in.

Vote: Motion **carried 9-2 with Hargrove, and Mahlum voting no.**

EXECUTIVE ACTION ON SJR 7

Motion/Vote: **SEN. CHRISTIAENS** moved that **SJR 7 DO PASS. Motion carried 10-1 with Hargrove voting no.**

ADJOURNMENT

Adjournment: 4:45 P.M.

SEN. MIKE SPRAGUE, Chairman

JODI PAULEY, Secretary

MS/JP

EXHIBIT (los26aad)